



**YUKON ENERGY
CORPORATION**
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October 25, 2016

Mr. Bob Laking, Vice Chair
Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Mr. Laking:

**Re: ATCO-Electric Yukon 2016-17 General Rate Application and Energy Reconciliation
Adjustment Issues**

Yukon Energy Corporation (“Yukon Energy”) has sought and was granted leave to appeal Order 2015-06 of the Yukon Utilities Board (the “Board”) which addresses Yukon Energy’s wholesale electricity sales to ATCO-Electric Yukon (AEY) and in particular the Energy Reconciliation Adjustment (ERA) charge in Yukon Energy’s Rate Schedule 42. Argument on this matter is scheduled to occur December 7, 2016.

The AEY 2016-17 General Rate Application (GRA) proceeding is currently underway with an oral hearing scheduled for November 1-3, 2016. During the interrogatories process, the Board asked AEY to provide its comment regarding how the ERA charge in Rate Schedule 42 should be calculated. In its response to YUB-YECL-47(c), AEY provided AEY’s perspectives regarding the issues raised and the intent of the ERA; outlined AEY’s views on the ERA calculation proposed by YEC in the DCF/ ERA proceeding; and proposed an alternate rate design regarding Rate Schedule 42.

Given the separate process currently underway before the Yukon Court of Appeal, Yukon Energy is writing the Board to seek clarification and confirmation that matters related to the Yukon Energy Wholesale Rate Schedule 42 and the ERA are considered out of scope of the current AEY GRA process.

If you have any questions regarding the above please contact the undersigned.

Yours truly,

Ed Mollard, CPA, CGA
Chief Financial Officer
Yukon Energy Corporation